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# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

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In the Matter of	)	n in the Committee of t
Calling Party Pays Service Option in the Commercial Mobile Radio Services	)	WT Docket No. 97-207

To: The Commission

### COMMENTS OF THE RURAL TELECOMMUNICATIONS GROUP

#### RURAL TELECOMMUNICATIONS GROUP

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#### **SUMMARY**

The Rural Telecommunications Group ("RTG") fully supports the Petition for Expedited Consideration of the Cellular Telecommunications Industry Association ("CTIA"), which requests that the Federal Communications Commission ("FCC" or "Commission") rapidly release a Notice of Proposed Rulemaking to develop the record on implementing Calling Party Pays ("CPP") service, for the ultimate purpose of adopting the minimum number of federal regulations that will facilitate the provision of CPP by those commercial mobile radio service ("CMRS") providers who choose to offer it.

CPP has the potential to increase consumer demand for wireless services by bringing the functioning and utilization of wireless services more in line with wireline services. This balance in function and utilization between wireless and wireline services can only occur, however, if CMRS providers have the ability to implement CPP service at their own discretion, free from inconsistent and burdensome state and local regulation.

The Commission has exclusive jurisdiction over CPP service, pursuant to its congressional authority to regulate CMRS service to the exclusion of the States. The Commission is requested to exercise its exclusive authority in the form of a rulemaking proceeding, in which it should propose means that will enable CMRS providers to implement CPP under a shelter of required cooperation from local exchange carriers ("LECs") and formal liability safeguards for both CMRS carriers and consumers.

The Commission should seek to develop a record on the best way to assist CPP service providers in the billing and collection of CPP charges, taking into account the legitimate

concerns of LECs that their cooperation with CPP service providers in the billing and collection of CPP charges could create a negative impression on LEC customers. The Commission should explore whether and how a comprehensive CPP notification program for the education of the public on the operation of CPP would alleviate LEC concerns and improve the billing and collection mechanism for CPP service providers. The Commission should also evaluate various methods by which CPP service providers can establish binding contractual obligations with calling parties with whom they have no formal subscriber relationship.

A narrowly focused NPRM, released in short order, has the potential to resolve the few outstanding issues regarding the implementation of CPP service, and could enable CPP service to immediately begin expanding the role that wireless telecommunications services play in everyday life.

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### COMMENTS OF THE RURAL TELECOMMUNICATIONS GROUP

The Rural Telecommunications Group ("RTG"), by its attorneys, hereby respectfully submits these comments in response to the Petition for Expedited Consideration of the Cellular Telecommunications Industry Association ("CTIA"), filed February 23, 1998, in the above-captioned proceeding. These comments supports CTIA's request that the Federal Communications Commission ("FCC" or "Commission") rapidly issue a Notice of Proposed Rulemaking ("NPRM") to adopt a minimal number of uniform, nationwide rules to facilitate the implementation of Calling Party Pays ("CPP") service by wireless telecommunications carriers who wish to offer the service to their subscribers.

#### I. STATEMENT OF INTEREST

RTG is an organized group of rural telephone companies whose purpose is to advocate on behalf of providers and prospective providers of rural wireless telecommunications services.

RTG's members provide wireless telecommunications services, such as cellular telephone

<sup>&</sup>lt;sup>1</sup> In re Calling Party Pays Service Option in the Commercial Mobile Radio Service, Petition for Expedited Consideration of the Cellular Telecommunications Industry Association, WT Docket No. 97-207 (filed February 23, 1998) ("Petition").

service and Personal Communications Service ("PCS"), to their subscribers and are therefore interested in ensuring that CPP is a service offering they can choose to provide free from unnecessary regulatory burden.

#### II. DISCUSSION

A. The Industry Consensus in Response to the Commission's Notice of Inquiry Demonstrates that the Expedited Issuance of an NPRM is Warranted

As CTIA has noted in its Petition, there is general agreement within the industry that the FCC should advance the ability of wireless carriers to offer CPP service with the least amount of regulatory burden.<sup>2</sup> Wireless telecommunications is still a relatively nascent industry in this country, and the public has not yet indicated that it perceives wireless services to be the "same" as, or a substitute for, the wireline services it has traditionally used.<sup>3</sup> In many respects, cellular telephone service, PCS, paging service, and other emerging services are perceived by the public as supplemental to wireline service, with which they are historically familiar, and wireless services will retain this characterization as long as the elements of their provision and utilization remain different from those of wireline services.

As the wireless industry rapidly develops and provides consumers with communications capabilities that are equal to, if not superior to, the capabilities of wireline services, it is additionally tasked with the mission of demonstrating to a "wireline-minded" public that new and innovative wireless services are fungible with wireline services. Under the current billing

<sup>&</sup>lt;sup>2</sup> Petition at 2.

<sup>&</sup>lt;sup>3</sup> According to a recent report published by the Yankee Group, only 3% of calling minutes are the result of calls involving wireless phones.

regime, wireline telephone subscribers do not pay any additional charges to receive telephone calls, while CMRS subscribers typically pay a per minute charge to receive calls. This fundamental difference in how these services are paid for results in consumers' utilizing these services in different ways. CMRS subscribers have less control over their wireless costs because they have little control over incoming calls. The CMRS subscribers' common solution for managing the costs associated with incoming calls is to refrain from distributing their wireless telephone numbers, or to leave their wireless units turned off so that incoming calls are not received. Thus, wireless telephones are not used like wireline telephones, but rather, are treated by subscribers as serving a unique function, *i.e.*, a mode by which calls can be *placed* when outside the residence or office.

The CPP service offering has the inherent potential to change the manner in which CMRS subscribers utilize their wireless service, bringing this utilization more in line with the way consumers use wireline service. CPP service may create more balanced traffic flows between CMRS providers and local exchange carriers, and stimulate demand for wireless services. In order for the telecommunications market to achieve the most beneficial level of competitiveness, the Commission must enable the wireless industry to provide the kinds of services, like CPP, that can enhance the functionality of wireless services and make them a viable substitute for wireline services. By the same token, the CMRS industry is flourishing and competitive under the guidance of market forces, not regulation, and this marketplace regime must not be disturbed.

<sup>&</sup>lt;sup>4</sup> In re Calling Party Pays Service Option in the Commercial Mobile Radio Service, Notice of Inquiry, WT Docket No. 97-207, (rel. Oct. 23, 1997) ("NOP"), ¶ 10 (citing CTIA Service Report, The Who, What and Why of "Calling Party Pays," July 4, 1997 ("CTIA CPP Report") at 8-12).

Thus, it is critical that CPP service be provided at the discretion of the individual carrier, based on its assessment of its market demands, as opposed to being a mandatory wireless service offering. The Commission has noted its commitment "to taking necessary actions to increase consumer options for local telephone service." In the context of CPP service, the Commission can best meet this commitment by issuing, as soon as possible, an NPRM that proposes the minimum amount of federal regulation necessary to permit wireless carriers choosing to offer CPP service the ability to do so "free of redundant and burdensome State and local obligations." The Commission should restrict the exercise of its exclusive jurisdiction over CPP service matters to the adoption of regulations that ensure that wireless carriers receive non-discriminatory cooperation from local exchange carriers ("LECs") in billing and collection of CPP charges; that ensure that the public is provided with a uniform, nationwide notification system designed to alert callers that a charge will be incurred for completing a call to a CPP subscriber; and that ensure that wireless carriers have the means to create binding obligations with calling parties with whom they have no contractual relationship.

## B. The Commission Has Exclusive Jurisdiction to Regulate CPP Service Under Sections 332(c)(3)(A) and 2(b) of the Communications Act

As CTIA notes, disagreement within the industry regarding CPP is minimal, and one of the few issues still under debate is who has jurisdiction over CPP service.<sup>7</sup> Those commenters

<sup>&</sup>lt;sup>5</sup> NOI, ¶ 1(citation omitted).

<sup>&</sup>lt;sup>6</sup> Comments of CTIA to *NOI*, at 3.

<sup>&</sup>lt;sup>7</sup> Petition at 2.

who maintain that CPP is purely a billing practice subject to state regulation misconstrue the nature of CPP. This position fails to recognize that CPP service is a "whole" service, regardless of who is providing the billing and collection functions or who is paying for inbound airtime charges. As CTIA aptly states, "CPP as a whole service is not lawfully regulated by State and local governments."8 A simple way to understand that CPP is a whole service is to consider it in the following manner: CMRS services are presently predominantly wireless telecommunications services, such as cellular telephone, PCS, enhanced Specialized Mobile Radio ("SMR") and twoway paging, where the subscriber pays for both outgoing and incoming calls to his wireless unit; and for ease of comparison, it can be called "Calling Party Doesn't Pay" ("CPDP") service. There is little disagreement that the Commission retains exclusive jurisdiction over rates for CPDP service, as this is the service that comes to mind when analyzing Section 332 of the Communications Act of 1934, as amended, in general, and Section 332(c)(3)(A) in particular. That Section 332(c)(3)(A) imparts to the Commission the exclusive authority to regulate CMRS rates has been confirmed by the U.S. Court of Appeals for the Eighth Circuit in *Iowa Utilities* Board v. FCC. CPP is simply a different rate mechanism for the same CMRS offering, in which communications are transmitted using the same types of technologies as CPDP, but where the calling party, as opposed to the CMRS subscriber, pays the airtime charges for calls placed to

<sup>&</sup>lt;sup>8</sup> CTIA Comments at 6.

<sup>&</sup>lt;sup>9</sup> *Iowa Utilities Board v. FCC*, 120 F.3d 753, 800 n.21 (8<sup>th</sup> Cir. 1997) ("Because Congress expressly amended section 2(b) to preclude state regulation of entry of and rates charged by Commercial Mobile Radio Service (CMRS) providers, see 47 U.S.C. §§ 152(b) (exempting the provisions of section 332), 332(c)(3)(A), and because section 332(c)(1)(B) gives the FCC the authority to order LECs to interconnect with CMRS carriers, we believe that the Commission has the authority to issue the rules of special concern to the CMRS providers . . .").

a wireless unit. CPP service does have billing elements distinct from those of CPDP service, but that does not remove it from the CMRS rate classification over which the FCC has exclusive jurisdiction.

Section 332(c)(3)(A) states, in pertinent part, that:

Notwithstanding sections 2(b) and 221(b), no State or local government shall have any authority to regulate the entry of or the rates charged by any commercial mobile service . . . . <sup>10</sup>

RTG agrees with CTIA that regulation of CPP involves the regulation of the manner in which charges for CMRS are assessed.<sup>11</sup> Just as Section 332(c)(3)(A) imparts to the Commission exclusive jurisdiction over the regulation of rates for CPDP service, so does this exclusive jurisdiction apply to the rates associated with CPP service.

Section 2(b), the "impossibility exception." also confers exclusive jurisdiction on the Commission. As stated by CTIA in its Reply Comments, "[t]he Act's dual regulatory scheme generally provides State jurisdiction over intrastate communications and Commission jurisdiction over interstate and foreign communications." Under Section 2(b), the Commission must preempt inconsistent State regulation of CPP service when:

(1) the matter to be regulated has both interstate and intrastate aspects; (2) FCC preemption is necessary to protect a valid federal regulatory objective; and

<sup>&</sup>lt;sup>10</sup> 47 U.S.C. § 332(c)(3)(A).

<sup>11</sup> CTIA Comments at 14 (citation omitted).

<sup>&</sup>lt;sup>12</sup> 47 U.S.C. § 152(b).

<sup>&</sup>lt;sup>13</sup> CTIA Comments at 18 (citing 47 U.S.C. § 152; *Louisiana Pub. Serv. Comm'n v. FCC*, 476 U.S. 355, 360 (1986).

(3) state regulation would "negate[] the exercise by the FCC of its own lawful authority" because regulation of the interstate aspects of the matter cannot be "unbundled" from the regulation of the intrastate aspects.<sup>14</sup>

CPP service is a CMRS offering that has both interstate and intrastate attributes, but that is inherently interstate in nature, given the ability of a CPP subscriber to roam outside his local service area and the geographical licensing areas associated with CMRS services. Courts have held that "purely intrastate facilities and services used to complete even a single interstate call may become subject to FCC regulation to the extent of their interstate use," and "no matter how frequently or infrequently a subscriber places interstate calls, he is entitled to have the conditions placed on access to the interstate telephone system measured against federal standards of reasonableness." Thus, that portion of CPP service that is indisputably interstate brings the entire service under the rubric of the first prong of the Section 2(b) preemption analysis.

The second prong of the analysis is met by virtue of the fact that Congress "envisioned that all CMRS providers would be subject to 'uniform rules' and intended 'to establish a Federal regulatory framework to govern the offering of all commercial mobile services.'" Additionally, with specific respect to CPP service, the Commission has stated its own goal of "increas[ing] consumer options for local telephone service" None of these Federal objectives can be met if

<sup>&</sup>lt;sup>14</sup> Public Serv. Comm'n of Maryland v. FCC, 909 F.2d 1510, 1515 (D.C. Cir. 1990) (citations omitted).

 $<sup>^{15}</sup>$  National Ass'n of Regulatory Util. Comm'r v. FCC, 746 F.2d 1492, 1498 (D.C.Cir. 1984).

<sup>&</sup>lt;sup>16</sup> Puerto Rico Tel. Co. v. FCC, 553 F.2d 694, 700 (1st Cir. 1977).

<sup>&</sup>lt;sup>17</sup> CTIA Comments at 20 (citations omitted).

<sup>&</sup>lt;sup>18</sup> NOI at ¶ 1(citation omitted).

CPP service is subjected to a patchwork of burdensome and inconsistent state regulations that could ban or delay the provision of CPP service by wireless carriers seeking to offer it.

CTIA presents a well-stated argument that CPP service meets the third prong of the preemption test, as well. CTIA states:

a uniform method of CPP notification will promote the nationwide viability and availability of CPP. . . [while] multiple burdensome and potentially inconsistent State customer notification requirements likely will lead to consumer confusion and raise barriers to the implementation of CPP . . . . <sup>19</sup>

As CTIA notes, the various States currently implement an assortment of methods for notifying callers that calls placed to CPP subscribers will incur a charge. Among the variety of notification methods are bill inserts, advertisements, unique NXX codes, 1+ dialing, and specialized tones and intercept messages. Consumer confusion arises when a caller places a call to a CPP subscriber from outside his own local jurisdiction, and is not alerted to the fact that he has incurred a charge because of his unfamiliarity with a different jurisdiction's CPP notification method. "The potential for additional or inconsistent State regulations to negate the uniform federal CPP notification requirements satisfies the third prong of the impossibility exception." 20

As the foregoing discussion demonstrates, the Commission alone has the authority to regulate the implementation of CPP service.

<sup>&</sup>lt;sup>19</sup> CTIA Comments at 20-21.

<sup>&</sup>lt;sup>20</sup> *Id.* at 23.

## C. The Commission Should Develop an Extensive Factual Record on the Issue of Assisting CMRS Providers in the Billing and Collection of CPP Charges

The issue of requiring LECs to cooperate with CPP service providers in the billing and collection of CPP-related charges is the most hotly contested issue associated with CPP service. LECs are resistant to the idea of being required to provide billing and collection services on behalf of CPP service providers, yet, without the adequate ability to bill and collect from calling parties who place calls to CPP subscribers, CPP service providers will be unable to offer CPP service. In many cases, the CPP service providers will have no contractual/subscriber relationship with the parties placing calls to CPP subscribers. Thus, even if the CPP service provider is able to gather the information it needs to bill the caller directly, there is little, if any, guarantee that those charges will be paid and collected. A caller with no relationship to the billing CPP service providers might just as well ignore the odd bill for CPP inbound-call airtime charges as pay it. The Commission, therefore, should solicit detailed solutions to the issue of billing and collection of CPP charges in an NPRM.

The *NOI* generated analyses of the Communications Act which found that the Commission has the authority, under Sections 251(c)(3) and 272(c)(1), to require incumbent LECs and Bell Operating Companies ("BOCs"), respectively, to provide CPP service providers with billing and collection services on just, reasonable and nondiscriminatory terms.

Section 251(c)(3) requires incumbents LECs, in pertinent part, to:

provide, to any requesting telecommunications carrier for the provision of a telecommunications service, nondisciminatory access to network elements on an

<sup>&</sup>lt;sup>21</sup> See, e.g., Reply Comments of the United States Telephone Association to the *NOI*; Comments and Reply Comments of Bay Springs Telephone Company, Inc., et al to the *NOI*.

unbundled basis at any technically feasible point on rates, terms and conditions that are just, reasonable, and nondiscriminatory . . . . <sup>22</sup>

The Act defines "network element" as:

a facility or equipment used in the provision of a telecommunications service. Such term also includes features, functions, and capabilities that are provided by means of such facility or equipment, including subscriber numbers, databases, signaling systems, and *information sufficient for billing and collection* or used in the transmission, routing, or other provision of a telecommunications service.<sup>23</sup>

The court in *Iowa Utilities Board v. FCC* held that the Act's definition of network elements is not limited to the physical components of a network, but includes a facility or equipment used in the provision of a telecommunications service, which in turn is defined as "the offering of telecommunications for a fee directly to the public."<sup>24</sup> The court explained that the offering of telecommunications services encompasses more than just physical components directly involved in the transmission of a phone call, and includes the technology and information used to facilitate billing, among other things.<sup>25</sup> The court found that operational support systems, which are used by LECs to provide billing and collection services, qualify as network elements under the Act, and as such are subject to the unbundling requirements of Section 251(c)(3).<sup>26</sup>

<sup>&</sup>lt;sup>22</sup> 47 U.S.C. § 251(c)(3).

<sup>&</sup>lt;sup>23</sup> 47 U.S.C. § 153 (29) (emphasis added).

<sup>&</sup>lt;sup>24</sup> *Iowa Utilities Board v. FCC*, 120 F.3d at 808.

<sup>&</sup>lt;sup>25</sup> *Id*.

<sup>&</sup>lt;sup>26</sup> *Id.*, 120 F.3d at 809.

Also presented in the comments to the *NOI* was the argument that Section 272(c)(1) requires a BOC to provide CPP service providers with nondiscriminatory access to billing and collection services. Section 272(c)(1) states that a BOC may not discriminate between an affiliate and a non-affiliated entity in the provision or procurement of "goods, services, facilities, and information . . ."<sup>27</sup> The Commission has stated that "[i]n enforcing the nondiscrimination requirement of Section 272(c)(1), we intend to construe these terms broadly to prevent BOCs from discriminating unlawfully in favor of their Section 272 affiliates."<sup>28</sup> The Commission then found, with respect to "services," that "there are certain administrative services, such as billing and collection services, that unaffiliated entities may find useful."<sup>29</sup> The Commission concluded that the terms "services," "facilities," and "information" in Section 272 should be interpreted to include, among other things, "the meaning of these terms under Section 251(c)."<sup>30</sup>

Taken together, the analyses of Sections 251(c)(3) and Section 272(c)(1) provide strong support for the ability of the Commission to order all incumbent LECs to bill and collect CPP charges for CPP service providers. Critics of this proposal argue that it backtracks from the Commission's decision in 1986 to cease requiring incumbent LECs to offer billing and collection services to interexchange carriers ("IXCs") and operator service providers ("OSPs"), having found that the market for such billing services was sufficiently competitive and that continued

<sup>&</sup>lt;sup>27</sup> 47 U.S.C. § 272(c)(1).

<sup>&</sup>lt;sup>28</sup> In re Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended, First Report and Order and Further Notice of Proposed Rulemaking, 11 FCC Rcd 21905 at ¶ 216 (rel. Dec. 24, 1996).

<sup>&</sup>lt;sup>29</sup> *Id.* ¶ 217.

 $<sup>^{30}</sup>$  *Id.* ¶ 219.

regulation of interstate billing and collection services was unnecessary.<sup>31</sup> While RTG generally supports deregulation where competition has taken a foothold, deregulation would not serve the public interest in this instance. The billing of CMRS is complex, due to its mobile, interstate nature, and that requiring CPP and CMRS providers to negotiate billing and collection agreements with every individual LEC whose subscribership includes potential "calling parties" to CPP subscribers would be tremendously burdensome and obstructive to the rapid implementation of CPP service. RTG also notes that, despite the trend toward deregulation, the Commission still embraces regulation in limited circumstances where it has the potential to promote competition by permitting new entrants to gain stability in the market before squaring off head-to-head with incumbent providers. For example, the Commission placed in-region service provision restrictions on incumbent LECs and cable operators in the Local Multipoint Distribution Service ("LMDS") under the guise of boosting competition.<sup>32</sup> Similarly, the Commission enforces the competitive checklist in Section 271(c)(2)(B) of the Act prior to

<sup>&</sup>lt;sup>31</sup> See In re Detariffing of Billing and Collection Services, Report and Order, 102 FCC 2d 1150, 1169-71 (1986).

<sup>&</sup>lt;sup>32</sup> See In re Rulemaking to Amend Parts 1, 2, 21 and 25 of the Commission's Rules to Redesignate the 27.5-29.5 GHZ Frequency Band, to Reallocate the 29.5-30.0 GHZ Frequency Band, to Establish Rules and Policies for Local Multipoint Distribution Service and for Fixed Satellite Service, Fourth Notice of Proposed Rulemaking, CC Docket No. 92-297 (rel. July 22, 1996).

permitting a BOC to provide in-region, interLATA services.<sup>33</sup> In the case of CPP service, which has the potential to increase the demand for wireless telecommunications services, a uniform, national billing and collections policy is warranted.

CTIA proposes that LECs be subject to a more lenient requirement under which they would provide billing data on an unbundled basis so that CPP service providers can bill calling parties directly. While this proposal does not address the problem of attempting to collect charges from contractually unrelated calling parties, it does assuage the fears of LECs that their subscribers will unwittingly assume that CPP service airtime charges appearing in their local telephone bills are attributable to their local carrier. LECs have expressed anxiety over the potential for a loss of "goodwill" from their subscribers, who may perceive CPP airtime charges as an increase in their local telephone bill. This concern can be eliminated in other ways, however, such as through a uniform, nationwide consumer notification program that will educate every potential "calling party" to the meaning of the airtime charges.

RTG notes that LECs seem unduly concerned about being held accountable for CPP service providers' revenue loss due to "leakage." RTG does not advocate requiring LECs to bear the risk of recouping revenue lost to "leakage." While the issue of "leakage" is critical to the successful implementation of CPP service, it is an issue that needs to be resolved by the

<sup>&</sup>lt;sup>33</sup> 47 U.S.C. § 271(c)(2)(B); see also, e.g., In re Application by BellSouth Corporation, et al. Pursuant to Section 271 of the Communications Act of 1934, as amended, To Provide In-Region, InterLATA Services in Louisiana, *Memorandum Opinion and Order*, CC Docket 97-231 (rel. Feb. 4, 1998).

<sup>&</sup>lt;sup>34</sup> "Leakage" occurs when CPP calls cannot be fully billed because the call originates from a payphone, a PBX system, or a system that has no billing arrangement with the CPP service provider.

wireless industry through an NPRM. RTG supports exploring CTIA's suggestions for handling leakage, which include call blocking, alternate billing methods such as credit card billing, third number billing, reversal of charges, and billing the CPP subscriber for uncollectible inbound airtime charges.

Because the ultimate success of CPP service will hinge on the wireless carrier's ability to collect revenue for inbound calls, an NPRM is required to gather proposals on how best to solve billing and collection issues.

# D. The Commission Should Use an NPRM to Develop a Consensus on the Best Method for Implementing a Uniform, National Calling Party Notification Policy

Educating the public about the operation of CPP service is as crucial to the success of CPP service as effective billing and collection mechanisms. In fact, a successful education campaign that implements a uniform, national notification policy will contribute to a CPP service provider's ability to effectively bill and collect for CPP service. The objective of the notification policy would be to fully inform every person placing a call to a CPP subscriber that the voluntary completion of that call will result in the incurring of charges to the caller. Ensuring that the public understands how charges and billing for CPP service are implemented will help alleviate the serious concern of LECs that their subscribers will be confused and angered by the appearance of CPP charges on their local telephone bills. An informed public additionally improves the ability of CPP service providers to bill and collect CPP charges themselves, by potentially increasing compliance from billed parties with whom the provider has no subscriber relationship.

RTG supports CTIA's proposals for implementing a notification scheme. The substance and method of notification must be consistent and recognizable to the calling public from any calling location in the country. The method of notification must be succinct enough to be well tolerated, while complete enough to inform a calling party that charges are about to be incurred and how to avoid them.

CTIA proposes the use of a distinctive tone, which would sound after the input of a telephone number and inform the caller that the call is being placed to a CPP subscriber and that completion of the call will result in charges to the caller.<sup>35</sup> This tone could be followed by a recorded intercept message that explains the meaning of the tone. This intercept message could be provided for a period of time (CTIA suggests 18-24 months) in association with the tone, and then eliminated once the public is uniformly aware of the tone's meaning.

The Commission is encouraged to urge commenters to explore the pros and cons of alternative notification methods, such as 1+ dialing and NXX codes. Additional comments should be requested on whether an intercept message should also provide information regarding the amount of the charges involved. The ultimate decision on what notification policy should be adopted must be left to the industry, to ensure that the policy is one that can be implemented with the least amount of burden and expense. The Commission's role in the adoption of a notification policy should be limited to the provision of a forum for discussion, and the exercise of exclusive authority over its implementation, such that the states shall not have jurisdiction to require inconsistent or additional notification requirements.

<sup>&</sup>lt;sup>35</sup> CTIA Comments at 7; CTIA Service Description for Calling Party Pays (CPP), January 1998, Version 1.0, at § 2.3.

## E. The Commission Must Adopt Means by which Providers can Enforce Binding Contractual Obligations with Calling Parties

CPP service cannot be successful unless CPP and CMRS providers can form binding contractual relationships with calling parties. For the most part, providers will not have a pre-existing relationship with the calling party, which complicates a provider's ability to bill and collect CPP charges.

The Commission must provide a means for carriers to establish binding obligations with calling parties so that carriers will have legal recourse in the event that charges are not collected.

RTG supports CTIA's proposals that the Commission consider the following means of creating binding obligations between carriers and calling parties:

- (1) Revisit in part its decision to forbear from Section 203 and permit CMRS providers offering CPP to file informational CPP tariffs, similar to those filed by 1+ dial-around services;
- (2) Revisit its decision to forbear from Section 211 and permit CMRS providers offering CPP to file model informational contracts pursuant to Section 211, which would be made available by the Commission to the public; or
- (3) Permit CMRS providers offering CPP to file special CPP service reports pursuant to Section 219, which would be made available by the Commission to the public for inspection.<sup>36</sup>

As CTIA aptly notes, it is critical that CPP service providers have a means to notify calling parties of key terms, including rates and limited liability, associated with CPP service. The Commission must solicit comments on the best method for achieving enforceable contractual obligations between carriers and calling parties, to ensure that carriers that wish to offer CPP service can do so without bearing undue risk.

<sup>&</sup>lt;sup>36</sup> CTIA Comments at 26-27.

#### III. CONCLUSION

For the foregoing reasons, RTG supports CTIA's request that the Commission move forward in developing the record on CPP service for the purpose of adopting the minimum number of uniform, national regulations that will ensure the successful implementation of CPP service by those carriers who wish to offer it.

Respectfully submitted,

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